

Senate File 494 - Introduced

SENATE FILE 494

BY CELSI

A BILL FOR

1 An Act relating to the applicability of beverage containers
2 control provisions, refund value for beverage containers,
3 and handling fees.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 455C.1, subsections 1 and 2, Code 2019,
2 are amended to read as follows:

3 1. a. "Beverage" means wine all of the following:

4 (1) Wine as defined in section 123.3, subsection 48,
5 alcoholic.

6 (2) Alcoholic liquor or intoxicating liquor as defined in
7 section 123.3, subsection 5, beer.

8 (3) Beer as defined in section 123.3, subsection 7, mineral.

9 (4) Mineral water, soda water and similar carbonated soft
10 drinks in liquid form and intended for human consumption.

11 (5) Any liquid identified through the use of letters,
12 words, or symbols on its product label as a type of water,
13 including any flavored water or nutritionally enhanced water,
14 in a container more than or equal to four fluid ounces and less
15 than three liters.

16 (6) Tea and coffee drinks, regardless of dairy-derived
17 content, in a container more than or equal to four fluid ounces
18 and less than three liters.

19 (7) Any other liquid that is intended for human consumption
20 and is in a container more than or equal to four fluid ounces
21 and less than three liters.

22 b. For the purpose of this chapter, the term "beverage"
23 excludes the following:

24 (1) A liquid that is a syrup, in a concentrated form, or
25 typically added as a minor flavoring ingredient in food or
26 drink, such as but not limited to extracts, cooking additives,
27 saucers, or condiments, and has more than twenty percent juice
28 content.

29 (2) A liquid that is designed and consumed only as a dietary
30 supplement and not as a beverage as defined in the Dietary
31 Supplement Health and Education Act of 1994, Pub. L. No.
32 103-417.

33 (3) Instant drink powders.

34 (4) Milk, or any product marketed as a plant-based milk,
35 and all other dairy-derived products, except tea and coffee

1 drinks included in paragraph "a", subparagraph (6), of this
2 subsection.

3 2. "*Beverage container*" means any sealed glass, plastic,
4 or metal bottle, or can, jar or carton containing a beverage.
5 "*Beverage container*" does not include jars, cartons, foil
6 pouches, and drink boxes.

7 Sec. 2. Section 455C.2, Code 2019, is amended to read as
8 follows:

9 **455C.2 Refund values.**

10 1. A refund value of not less than five seventeen cents
11 shall be paid by the consumer on each beverage container sold
12 in this state by a dealer for consumption off the premises.
13 Upon return of the empty beverage container upon which a
14 refund value has been paid to the dealer or person operating
15 a redemption center and acceptance of the empty beverage
16 container by the dealer or person operating a redemption
17 center, the dealer or person operating a redemption center
18 shall return the amount of the refund value to the consumer.

19 2. In addition to the refund value provided in subsection
20 1 of this section, a dealer, or person operating a redemption
21 center who redeems empty beverage containers or a dealer agent
22 shall be reimbursed by the distributor required to accept
23 the empty beverage containers an amount which is ~~one cent~~
24 three cents per container. A dealer, dealer agent, or person
25 operating a redemption center may compact empty metal beverage
26 containers with the approval of the distributor required to
27 accept the containers.

28 Sec. 3. Section 455C.5, subsection 3, Code 2019, is amended
29 to read as follows:

30 3. The provisions of subsections 1 and 2 of this section
31 do not apply to a refillable glass beverage container which
32 has a brand name permanently marked on it and which has a
33 refund value of not less than five seventeen cents, to any
34 other refillable beverage container which has a refund value
35 of not less than five seventeen cents and which is exempted

1 by the director under rules adopted by the commission, or to
2 a beverage container sold aboard a commercial airliner or
3 passenger train for consumption on the premises.

4 EXPLANATION

5 The inclusion of this explanation does not constitute agreement with
6 the explanation's substance by the members of the general assembly.

7 Current law limits beverage containers subject to beverage
8 containers control deposit and refund provisions to any sealed
9 glass, plastic, or metal bottle, can, jar, or carton holding
10 wine, alcoholic liquor, beer, mineral water, soda water, and
11 carbonated soft drinks. When a distributor sells beverages in
12 eligible containers to a dealer, the distributor attaches an
13 extra 5 cents per eligible container to the sale price. When a
14 dealer sells beverages in eligible containers to a consumer,
15 the dealer passes on the 5-cent deposit to the sale price. A
16 consumer can take eligible beverage containers to a dealer,
17 dealer agent, or a redemption center and receive a 5-cent
18 refund for every eligible beverage container that the consumer
19 returns. A distributor collects eligible containers from a
20 dealer, dealer agent, or redemption center, at which time
21 the distributor pays the dealer, dealer agent, or redemption
22 center 5 cents per eligible container plus a handling fee of an
23 additional 1 cent per empty container.

24 This bill expands the definition of "beverage" and excludes
25 certain substances from that definition. The bill removes jars
26 and cartons from the definition of "beverage container" and
27 instead excludes jars, cartons, foil pouches, and drink boxes.
28 The bill increases the refund and deposit amount from 5 cents
29 to 17 cents for all beverage containers subject to the deposit
30 and refund provisions. The bill also increases the handling
31 fee that a dealer, dealer agent, or redemption center will
32 charge a distributor from 1 cent to 3 cents.